

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1590 – SB 1956**

March 8, 2011

**SUMMARY OF BILL:** Expands the definition of “eligible independent postsecondary institution” under the Hope Scholarship program to include certain non-profit institutions.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$128,000/FY11-12/Lottery for Education Account  
\$219,500/FY12-13 and Subsequent Years/Lottery for  
Education Account**

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), the American Baptist College (ABC) is the only non-profit institution that meets all the specified criteria of this bill.
- TSAC estimates that 31 additional students will receive Hope Scholarships as a result of this bill during FY11-12.
- Of these 31 additional students, five will be traditional students (each with an annual award of \$4,000), 16 will be traditional students who receive the Aspire supplemental award (each with an annual award of \$5,500), and 10 will be non-traditional students (each with a second-semester award of \$2,000; these students will have to earn their way into the program during their first semester).
- The increase in state expenditures from the Lottery for Education Account for FY11-12 will be \$128,000  $[(5 \times \$4,000) + (16 \times \$5,500) + (10 \times \$2,000)]$ .
- TSAC indicates there will be 34 new students to qualify for the Hope Scholarship in FY12-13, and 17 from FY11-12 will retain the Hope Scholarship in FY12-13 (for a total 51 students). This number is assumed to remain constant in subsequent years.
- Of these 51 additional students, nine will be traditional students (each with an annual award of \$4,000), 25 will be traditional students who receive the Aspire supplemental award (each with an annual award of \$5,500), 11 will be non-traditional students (each with a second-semester award of \$2,000; these students will have to earn their way into the program during their first semester), and six will be non-traditional students (each with an annual award of \$4,000).

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- The recurring increase in state expenditures from the Lottery for Education Account for FY12-13 and subsequent years will be \$219,500  $[(9 \times \$4,000) + (25 \times \$5,500) + (11 \times \$2,000) + (6 \times \$4,000)]$ .

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc